

GRANGE INSURANCE CASE STUDY

CHALLENGE

Grange has experienced a healthy growth in their agent base over the years. One valuable service Grange provided for those agents was download; however, the cost of providing this service had grown and there was a need to control it.

Grange began searching for a solution that would not only reduce the cost, but also possibly expand the services the agents were receiving.

Their search led to Connective Technologies' TEAM-UP Download product, which had just been introduced to the market a few months earlier. It was part of a suite of interface products that eliminated "middleman" costs while actually expanding the services available to agents.

REQUIREMENTS

Grange established the following objectives in their search:

- Should not negatively affect workflow at agencies
- Must support all agency system vendors within Grange's download network
- Must have a significant reduction in download costs
- Must provide as a minimum, the functionality of the process in place at the time
- Would not require re-certification by agency system vendors
- Must be a secure transmission of data
- Should not have limits as to the Lines of Business (LOBs) being downloaded
- Must be flexible enough to add LOBs and agents whenever required with a minimal effort by carrier personnel
- Should be Internet based so that mailbox and byte fees are eliminated
- Must interface and interact with existing Grange web-site

APPROACH

Grange evaluated a number of possible solutions. One approach considered was building a solution internally. Another was to move from the traditional fee-based dial-up method to a fee-based Internet solution. One other approach was to evaluate products in the marketplace, which would address their requirements while being affordable. TEAM-UP Download satisfied their requirements.

TEAM-UP Download not only satisfied the requirements, but was found to provide a number of features that allowed the agents more control over the download themselves.

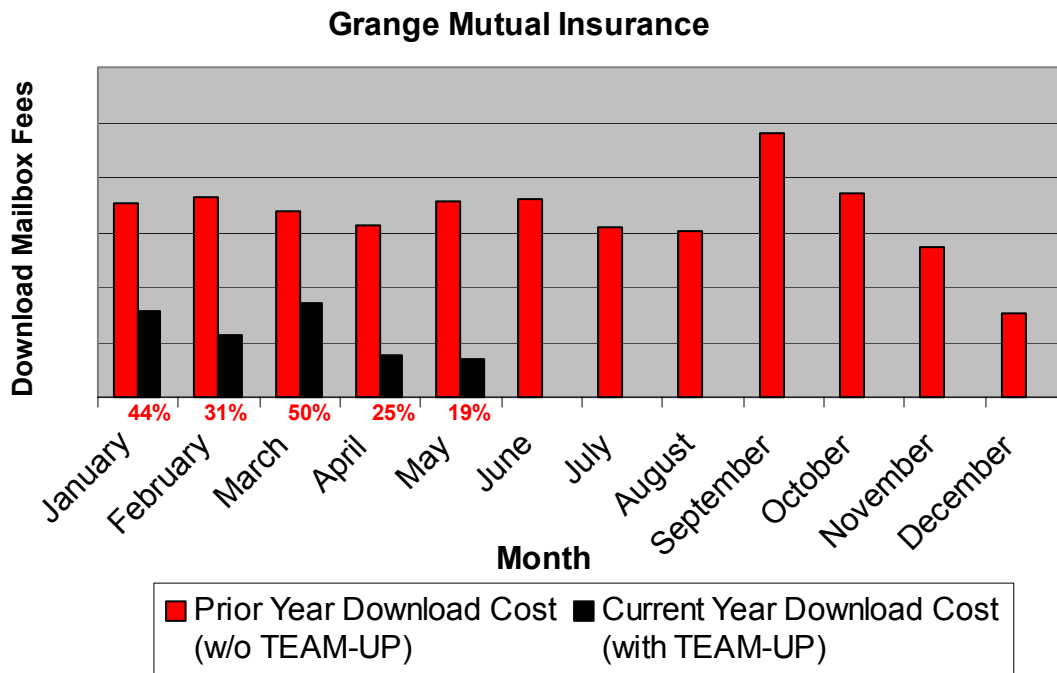
There were minor adjustments to the automated workflow within the Grange infrastructure to accommodate the switchover from the historical method to TEAM-UP Download. Changes required at the agencies were minimal.

RESULTS

Grange and Connective entered into a contract in November 2003. TEAM-UP Download was installed by the end of November and was placed in pilot mode during December with a small number of agents. This enabled Grange to evaluate a rollout approach that would bring them the largest savings in the shortest period of time.

The full rollout began in January 2004 focusing on the agents with the largest activity so that byte fees could be reduced quickly. Within the first month, Grange saw a drop of approximately 56% in the cost of download from the same month the year before (this in spite of a growth in the number of agents receiving download year-over-year).

By May 2004, the year-to-year costs were reduced by 81%, with agents enjoying enhanced and improved services from TEAM-UP Download.



The figures above represent **actual savings** experienced by Grange during the first months of rolling out TEAM-UP Download.

“Grange and Connective have established an excellent working relationship. We found Connective to be very responsive to our needs, as well as those of our agents,” reported Sherri Rarey, Assistant Vice President / Manager Agency Interface. “When looking at systems that potentially have a significant impact on our agent relationship, it was very important that we have a business partner that shares our concerns and vision of the future.”

By the end of June 2004, Grange will have fully recovered the cost of TEAM-UP Download, a six-month ROI. Download costs are now very manageable and can be budgeted over the next six years without having to build in increases for the number of agents, the LOBs being downloaded, nor the amount of data being downloaded.

PROFILES

Grange Insurance

Grange Insurance was established as the Grange Mutual Casualty Company in 1935 and is headquartered in Columbus, Ohio. Grange Insurance serves seven states: Ohio, Georgia, Illinois, Indiana, Kentucky, Michigan and Tennessee and, through its affiliation with Integrity Mutual in 2002, serves Wisconsin, Iowa and Minnesota. Grange offers a variety of insurance needs as well as banking services through The Grange Bank.

Connective Technologies, Inc.

Connective Technologies, Inc. is a leading provider of Upload, Inquiry, and Download interface solutions for the property and casualty insurance industry over the past twelve years. Connective has been a pioneer in the development of hybrid and internet-based interface solutions for carriers and their agents. Connective's products fully support ACORD standards.